

[ADMINISTRATIVE ORDER NO. 80, July 31, 1999]

IMPOSING THE PENALTIES OF DISMISSAL FROM THE SERVICE ON REGIONAL DIRECTOR DIAMAR P. KADON, DEPARTMENT OF EDUCATION, CULTURE AND SPORTS, REGION X, AND DISQUALIFICATION FROM RE-EMPLOYMENT IN THE GOVERNMENT SERVICE AND FORFEITURE OF ALL FINANCIAL BENEFITS ON DIAMAR P. KADON AND MAKIL U. PUNDAODAYA, FORMER DIRECTOR OF DECS REGION XII

This refers to the Audit Report submitted by the Commission on Audit to the Presidential Commission Against Graft and Corruption (PCAGC) and the action taken by the said Commission with respect to respondents Director Makil U. Pundaodaya and Director Damar P. Kadon.

The facts of the case are as follows:

A certain Eugenio G. Fernandez, Director IV of Regional Office XII (Cotabato City), Commission on Audit (COA), submitted to COA Chairman Celso D. Gangan, two (2) Audit Reports complete with the annexes thereof, on the operations of Region XII, Department of Education, Culture and Sports (DECS).

One of the said reports dealt with the procurement of graders' desks for the period from January 1, 1992 to September 30, 1993 in the amount of P5,268,610.00.

On August 11, 1994, Chairman Gangan forwarded to the PCAGC, for appropriate action, the Audit Report on the procurement of graders' desks.

After due hearing, the Commission found that:

"A number of officials and employees of the Department of Education, Culture and Sports (DECS) participated in the transaction by acting on, signing and approving the alleged anomalous transactions. However, this Commission can only take jurisdiction over the case of respondents Directors Makil U. Pundaodaya and Damar P. Kadon, they being the only presidential appointees. (Sec. 4[a] of Executive Order No. 151, as amended)

"On August 29, 1995 while the case was pending, respondent Director Makil U. Pundaodaya retired from the service (p. 652, Records).

"The only issue to be resolved is: Whether or not herein respondents can be held administratively responsible for the shortage and/or unaccounted deliveries of graders' desks.

"The evidence disclosed that the short deliveries occurred in three (3) school division offices, as follows:

"For calendar years 1992 and 1993, a total of 10,035 pieces of graders' desks valued at P5,303,635.00 was purchased by the DECS Regional Office.

"A. Iligan City School Division - 1,823 pieces of traders' desks were unaccounted for with a total cost of P936,610.00

"After verification of the paid vouchers including the memorandum receipts thus issued, confirmation letters were sent to the recipient schools within the said division. Of the seventy two (72) confirmation letters sent, fifty six (56) responded and out of the said 56, twenty eight (28) of the recipient schools were actually inspected and the memorandum receipts thereof verified by the team.

"It was disclosed that per memorandum receipts issued, a total of 6,558 pieces of graders' desks were delivered and received by the school. However, upon ocular inspection and actual physical count only 4,735 pieces were found leaving 1,823 pieces unaccounted for valued at P936,610.00

"Furthermore, the special audit team noted the following management deficiencies, to wit: (a) The distribution scheme adopted by the DECS Regional Office in the case of Iligan City area was a 'door-to-door' delivery; (b) it was not well coordinated leaving the City School Superintendent unaware of the actual number of desks being distributed thereby denying him the right to determine which schools were in urgent need of desks based on the enrollment and available facilities of the newly constructed school buildings; and (c) the desks delivered were of poor or substandard quality.

"Respondent Pundaodaya was found to have signed/approved Box C of Voucher No. 93082954 and Box C of Voucher No. 92124698.

"B. Marawi City School Division - 2,051 pieces unaccounted for with a total cost of P1,025,500.00

"From paid disbursement vouchers verified by the team, it was disclosed that for calendar year 1992 and 1993, the DECS Regional office purchased for distribution to Marawi City School Division 7,102 pieces of graders' desks.

"A total of 7,102 pieces of graders' desks were paid for. However, as per letter dated November 11, 1993 and the Statement of Receipts prepared and certified by Marawi City Schools Division Supply Officer, only 5,051 pieces were actually received for CY 1992 and 1993. A schedule of Graders' Desks Procurement for the period from January 1, 1992 to August 31, 1993 submitted by Mr. Ottawa Magang, COA State Auditor II, Unit Auditor of the Division showed the same number of graders' desks — 5,051 pieces as having been procured. Likewise, a Statement of Procured

Desks for CY 1992 certified correct by DECS Regional Office Supply Officer Rogelio delos Reyes showed that only 2,051 pieces were distributed and received by Marawi City Schools Division for that year. For CY 1993, a similar statement certified correct by Supply Officer Rogelio delos Reyes indicated that only 3,000 pieces were distributed and received by Marawi City Schools Division for a total of only 5,051 for CY 1992 and 1993, which tallies with the Statement of Receipt by Macapanton and Auditor Magarang. The 2,051 pieces paid under Voucher No. 92093173 could not be accounted for, as this figure did not appear in any of the three (3) Statements of Pronouncements, Distribution and Receipt of graders' desks.

"Respondent Director Diamar P. Kadon signed/approved Voucher Nos. 92093378 and 920931173 (p. 94, Records).

"C. Sultan Kudarat Schools Division - 6,613

pieces unaccounted for valued at P3,306,500.00

"Verification of disbursement vouchers in payment for the graders' desks for distribution to Sultan Kudarat Schools Division for CY 1992 and 1993 disclosed that the DECS Regional Office purchased a total of 13,885 pieces of graders' desks.

"Per Certification of Validation and Inspection signed by Sabandiya A. Balabagan, Schools Division Superintendent and the Schedule of Graders' Desks Procurement submitted by the Division Administrative Officer, only a total of 7,272 pieces were received as of November 8, 1993, disclosing a shortage of 6,613 pieces valued at P3,306,500.00.

"Of the 6,613 pieces considered as shortage, 4,914 were identified or traced as those paid under Disbursement Voucher No. 92031124 and 92041526 dated March 23, 1992 and April 22, 1992, respectively, the supplier of which was Business International Wood Products in both cases, and 1,699 pieces were identified as those under Disbursement Vouchers No. 92124700 dated December 14, 1992, the supplier of which was Nino Wood products.

"It was established by the Special Audit Team that shortages in the deliveries occurred in the transactions of CY 1992 as shown by the verification of the Memorandum Receipts conducted with the cooperation of the Schools Division Officials and the Resident Auditor.

"Aside from the team's findings of shortage in the deliveries of graders' desks, it was also found that the quality of the graders' desks is poor - the lumber used was not seasoned, not properly cleaned or planed thereby resulting in the rough appearance of the chairs. And some of the desks were already broken or destroyed.

"Respondent Kadon signed/approved Voucher Nos. 92031124 and 92041526, whole respondent Makil U. Pundaodaya signed/approved Voucher no. 92124700 (p. 283, Records).